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ABSTRACT

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EXCERPTS ON VOCATIONAL EDUCATION

FROM THE

PRESIDENT'S STATEMENT

Statement by the President on Combating Construction Inflation and meeting Future Construction Needs

March 17, 1970

U.S. Office of Education
Bureau of Adult, Vocational and Technical Education
Division of Vocational and Technical Education

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EXCERPTS ON VOCATIONAL EDUCATION FROM THE PRESIDENT'S STATEMENT

Statement by the President on Combating Construction Inflation and Meeting Future Construction Needs

March 17, 1970

The $100 billion construction industry is roughly divided into one-third housing, one-third commercial and industrial building, one-third public projects like schools and hospitals and roads. To meet the needs of our growing economy, demands upon this industry for further expansion in the years ahead will be heavy. By coming to grips with the sharply rising costs of this basic industry, we can do much to stem the tide of inflation throughout the economy.

The runaway inflation of construction costs must be ended. Its costs in human terms--in the urban and rural decay that breeds crime, ill health, joblessness and despair--are too high for the nation to pay.

Fundamental Causes

We do not get at the causes of this problem if we engage in any witch-hunt for a villain. The basic problem is quite simply that the nation's needs for construction outran the industry's ability to expand its productive resources available.

The cost of construction is basically the cost of money, the cost of material, the cost of labor, the cost of management, and the cost of improved land.

To moderate severe increases in the cost of labor, we must increase the labor supply to meet the increasing demand. This means we must assure equal employment opportunity for all in the industry, increase productivity through vocational training, adopt innovative techniques, and reduce seasonality: and make special arrangements for returning Vietnam veterans in the construction industry.

A shortage of skilled labor runs up the cost of that labor. While manufacturing wage settlements in 1969 were about 7 percent, they were almost double that in construction--14 percent. Employment opportunities in construction will multiply in the years ahead. We must provide people with the skills needed to take advantage of those opportunities and bring supply more nearly into line with demand.

To encourage more vigorous, dynamic and competitive management in the industry, we are engaged in programs to step up innovation and technological development. It is on more progressive management that we must ultimately depend to supply, efficiently and competitively, the building needs of a growing economy.

Stabilizing the Cost of Building Materials

The Department of Agriculture was directed to use a supplemental appropriation for fiscal 1969 and an increased appropriation for 1970 to provide additional

timber from national forests. The Department of Interior was directed to make available increased timber for sale. The Interstate Commerce Commission issued orders to relieve the shortage of boxcars used to move lumber and plywood from the Northwest.

Moderating the Severe Increases in the Cost of Labor

Skilled construction labor has been in disturbingly short supply. Between now and 1978 almost 2 million new jobs will be created in the construction industry. The normal operation of the labor market will supply many of these workers, but new training and apprentice programs will be required, and access to the skilled labor market must be eased to meet heavy demands in the 1970's.

Training and apprentice programs also must be developed to take advantage of technological opportunities in the home building industry. The nature of skills required may be modified by shifting part of the production and assembly of housing units to off-site industrial plants. It is significant that 400,000 mobile homes were produced last year--that industry is strong while traditional housing is depressed. There is clearly a demand for the kind of housing that new, low-cost production techniques could bring.

In the 1970's the construction industry will require a large, well-trained, and expanding work force. Toward that end, I am directing the appropriate government agencies to carry out the following programs, reporting their progress at regular intervals to the Cabinet Committee on Construction.

A. Vocational Education

Vocational education programs now provide training to approximately 250,000 persons in skills used in the construction industry (though many ultimately enter other areas). In order to help meet the demand for more construction workers, I direct the designated Federal departments and agencies to give higher priority to training construction workers.

The Department of Labor will communicate to the State and local agencies of the United States Training and Employment Service the serious national shortage of construction workers and encourage local surveys and reports on specific manpower needs in the construction industry.

The Construction Industry Collective Bargaining Commission will establish a subcommittee to develop a program to provide leadership and to communicate the need for developing quality vocational education programs with local school districts, unions and construction contractors. Greater acceptance of training in vocational education programs, as partial fulfillment of apprenticeship entrance requirements, should be promoted.

I am directing that this subcommittee devote attention to one of our great national needs--the need to restore pride in a craft and to promote the dignity of skilled labor. Construction skills are important to the nation, and they are

a source of pride to their possessors. We must stress that such skills are not only well rewarded financially, but they are a highly regarded and prized national resource--one deserving of the highest respect.

The Department of Health, Education and Welfare will work with the States--in developing State plans for vocational education in secondary and Post-secondary education as well as cooperative education programs--to emphasize training in construction crafts and to channel these trained people into productive employment.

The Department of HEW will encourage States to provide training in construction crafts in its special funds designated for areas of high youth unemployment.

The Department of HEW will, within 60 days, collect and disseminate information on experimental and innovative training methods and systems, especially in cooperative programs involving construction unions and contractors.

I recommend that the Governors encourage cooperative planning aimed at expanding the supply of construction manpower on a State-wide basis, involving the State Employment Service, the vocational education agency, the State Cooperative Area Manpower Planning System and other agencies and advisory groups.

B. Department of Labor Training Programs

The Department of Labor presently has approximately 30,000 construction trainees in its existing manpower training programs. These programs offer a variety of approaches to pre-apprenticeship training and training in basic construction skills. The programs are the JOBS (Job Opportunities in the Business Sector), Job Corps, MDTA (Manpower Development and Training Act) Institutional and On-the-Job Training. In addition, programs developed specifically for the construction industry include the Journeyman Training Program, the Outreach Program and the UA-NCA National Journeyman Trainee Trust.

I direct the Secretary of Labor to prepare a plan within 60 days expanding present enrollment in Department of Labor programs providing training for construction skills by 50 percent, increasing this pace over the next five years.

1. Apprenticeship

Apprenticeship is one of the best systems for training craftsmen. While there are wide variations among trades, less than half of construction journeymen have received their training through apprenticeship programs. Modern training methods and the large number of pre-apprenticeship training opportunities make it possible to improve existing apprenticeship programs. I am directing the Department of Labor to undertake a comprehensive study of apprenticeship programs in construction crafts during the next six months and to recommend to me by October 1, 1970 to what extent and in what ways apprenticeship training programs can be improved and expanded.

2. Veterans' Training Program

To permit the talents of thousands of returning veterans to be employed in a manner beneficial both to the nation and to themselves, I propose a Veterans' Training Program for the Construction Trades. The young men who have served our nation, risking their lives and delaying their careers, deserve the best we can give them in providing rewarding employment opportunities.

I am directing the Secretaries of Defense, Health, Education and Welfare and Labor to develop training programs in the construction crafts to be provided servicemen during the final months of their enlistment. I anticipate that the program will enroll over 50,000 trainees during the next two years. Extensive job placement efforts will be required to provide maximum employment opportunities for the program's graduates upon completion of training. Unions and employers should participate as fully as possible in the planning and implementation of the program to insure that these veterans will be accepted for available employment at a level commensurate with the skills attained.

3. Supplementary Training

While the apprenticeship systems provides well-trained craftsmen, its potential is limited now to young people with strong educational background. To expand opportunity for other workers, apprenticeship needs to be supplemented with different types of training for construction crafts. One promising supplementary training program is the agreement signed by the Department of Labor, the National Constructors Association, and the United Association of Plumbers and Pipefitters (AFL-CIO) to train 500 members of minority groups for positions as journeyman pipefitters. I encourage extension of similar training for the disadvantaged to other construction branches and to all regions of the country.

4. Federal Construction Projects

Training opportunities in construction crafts presently are provided on most Federal construction projects. I direct the heads of all Federal government agencies to include a clause in construction contracts that will require the employment of apprentices or trainees on such projects, and that 25 percent of apprentices or trainees on each project must be in their first year of training. The number of apprentices employed shall be the maximum permitted in accordance with established ratios.

5. Equal Employment Opportunity

There can be no social justice until there is economic justice, and equal employment opportunity is the key to economic justice in America.

To supplement its effort throughout all of industry, the Federal government has taken a number of steps to insure that employment in the construction industry is available to all persons regardless of race, creed, or color. Executive Order 11246 prohibits discrimination in direct Federal and Federally assisted contracts. Title VII of the Civil Rights Act of 1964 prohibits discrimination by business firms and unions.

Achieving More Dynamic Management

In the longer run new materials, new techniques, improved designs and innovations in marketing are needed to improve the efficiency of the building industry. In order to encourage these necessary advances in housing, the Department of Housing and Urban Development has sponsored "Operation Breakthrough." I strongly endorse these experimental projects to develop creative techniques for housing construction. The Department has already received over 600 proposals as part of Operation Breakthrough and experimental projects will soon be underway.

A. Stabilizing Industry Operations

Each agency or department of the Federal government shall report to the Cabinet Committee on Construction by July 1 of each year on the steps it has taken during the fiscal year to lessen seasonality and intermittency in its construction projects.

B. Effective Use of Science and Technology

1. The Environmental Science Services Administration (ESSA) in the Department of Commerce shall report on methods to improve the availability and use of weather information in construction.

2. The Secretary of Commerce shall develop an experimental program to provide dissemination of technical information on winter-building technology to the business community.

3. All Federal specification must include clauses containing plans for construction under unusual weather conditions and the Department of Comme[illegible] shall develop a mechanism through which the Federal Construction Council and Federal laboratories can monitor and evaluate innovations in these contracts.

4. The Secretary of Labor shall develop a pilot construction labor market information system in conjunction with its computerized job bank program.

An Improved Information System

The problem of obtaining accurate and timely information about industry activities has posed a difficult problem for the Cabinet Committee on Construction. As a basis for improving the quality of policy decisions

involving the construction industry, the Cabinet Committee on Construction is examining improved statistical measures. I direct the Committee to present recommendations for improving the information system in providing statistics on prices and costs, industry compensation and fringe benefit patterns, industrial relations information, mortgage financing and construction loan commitments, industry employment, manpower requirements, training and safety statistics and changes in the housing stock including mobile homes.

Summary

America's $100 billion construction industry with its 3 million workers does not need harassment, unwarranted interference, or political denounciation; it does need better access to mortgage money, less costly materials at more stable prices, an end to archaic regulations that hampers productivity, more dynamic management, and--most of all--more trained workers.

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In so doing, we can simultaneously meet two of the Nation's most pressing needs: the need to open up new job opportunities for millions of working men and women, and the need to provide adequate shelter for everyone.

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